

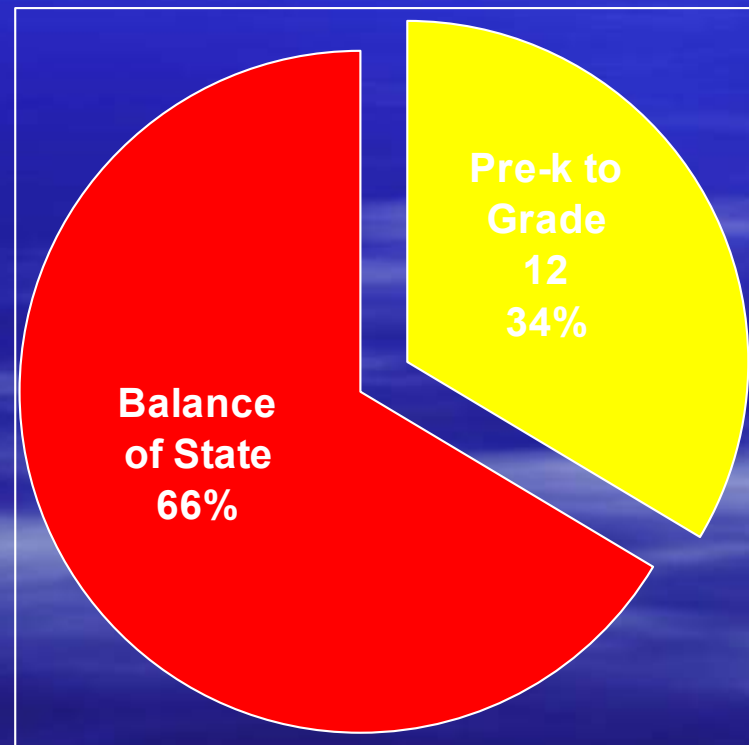
Department of Education

Examination of the Fiscal 2005-06
Education Budget

What is the total education spending for preschool through grade 12?

- The DOE budget for fiscal year 2005 – 2006 totaled \$9.4 billion
- This figure represented approximately one-third of the total State budget

DOE and Total State Budget

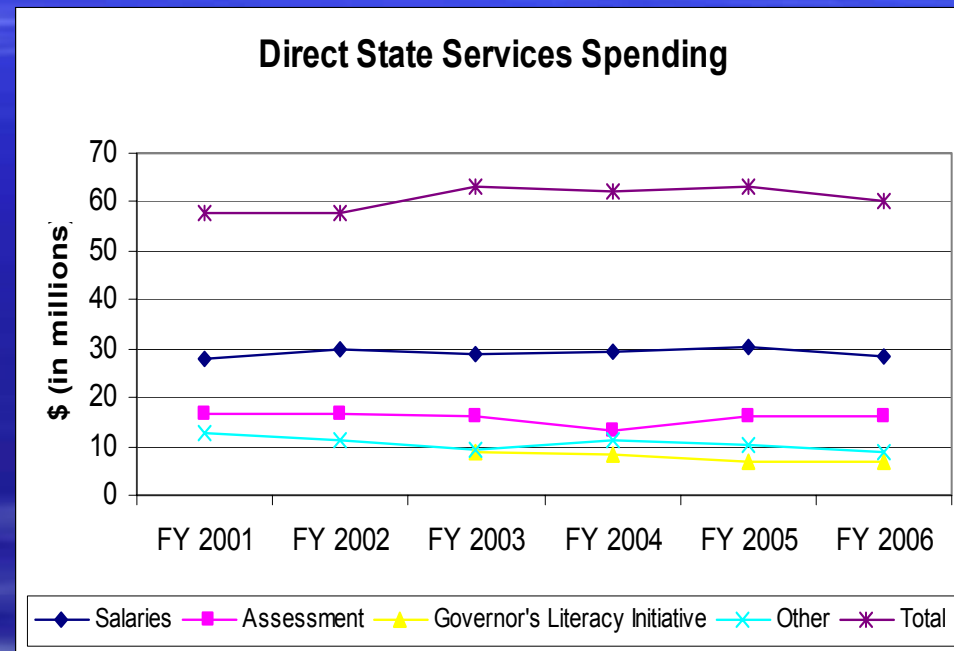


How are DOE funds used?

- Almost the entire DOE budget for FY 2006 was transferred to local school districts and other entities
 - \$9.36 billion (99.2 percent) is dispersed as State aid
 - \$18.1 million (0.2 percent) is provided as grants-in-aid
 - \$61.2 million (0.6 percent) supports DOE operations and capital construction

How has the direct state services budget changed in recent years?

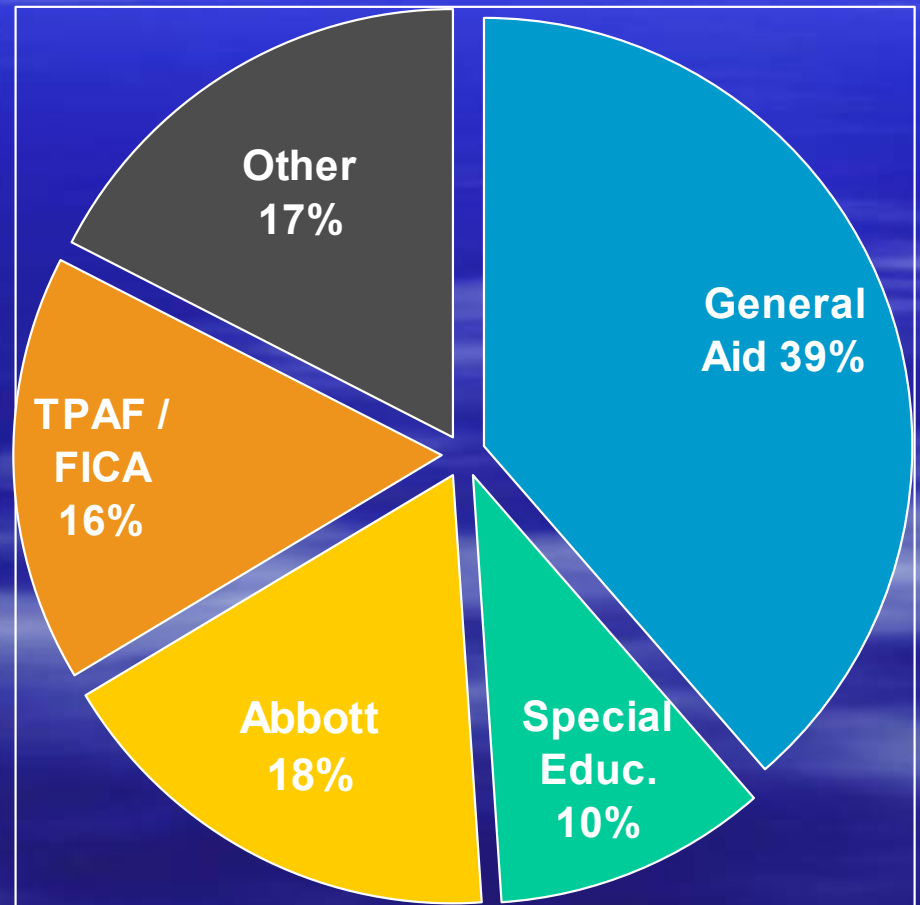
- Total salaries in FY 2006 exceed the FY 2001 level by 2.3 percent
- Total direct state services expenditures exceed the FY 2001 levels by 4.2 percent



What are the components of the State aid portion of the budget?

- 18 percent of State aid funds court-mandated Abbott remedies
- An additional 16 percent pays for Social Security payments, teachers' and pensions and retirement benefits
- 10 percent supports districts' special education expenditures

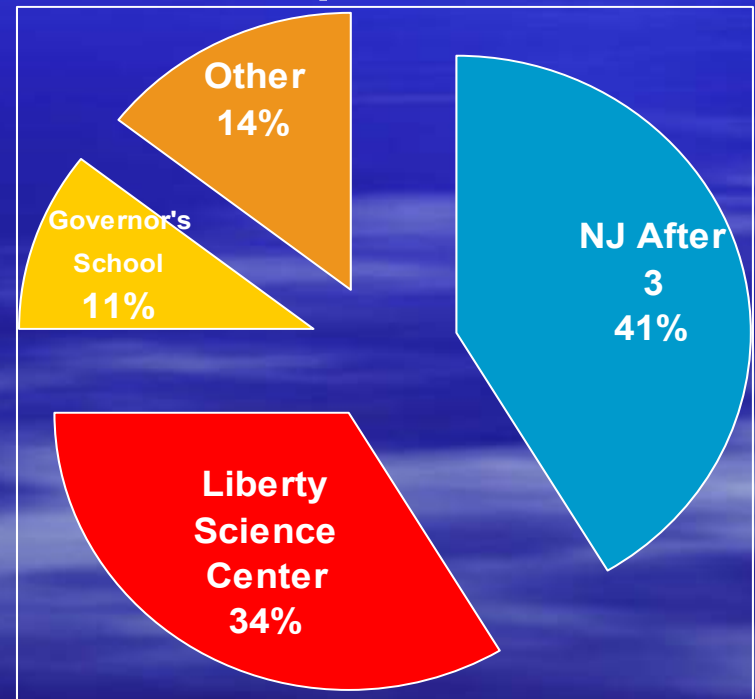
State Aid Composition



What are the components of the grants-in-aid portion of the budget?

- The NJ After 3 program accounts for 41 percent (\$7.5 million) of grants-in-aid
- An additional 34 percent (\$6.1 million) supports the Liberty Science Center
- All grants-in-aid total \$18.1 million, 0.2 percent of the pre-k to 12 budget

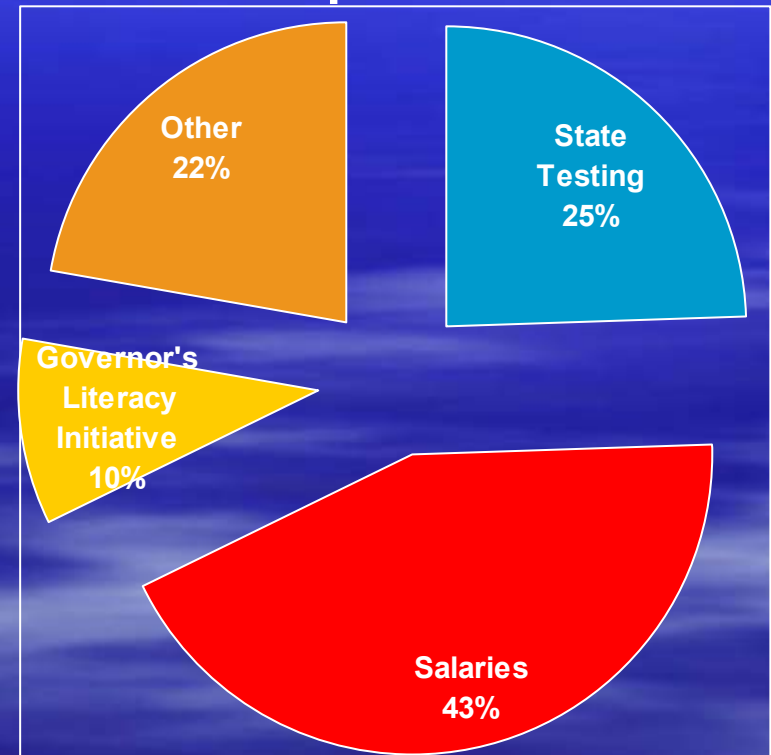
**Grants-in-Aid
Composition**



What are the components of the direct state services budget?

- Direct services and construction account for \$61.2 million (or 0.6 percent) of the total education budget
- Employee salaries account for less than half of all direct services expenditures
- One-quarter of the budget is dedicated to fulfilling the state and NCLB testing requirements

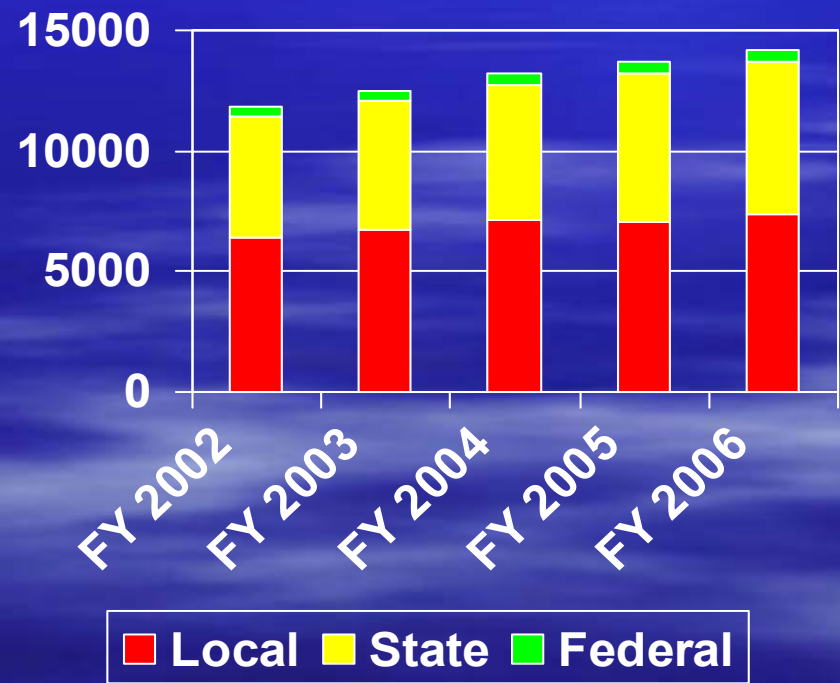
**Direct State Services
Composition**



How much support does the State provide for education?

- As the total per-pupil expenditures increase, State aid as a percentage of total revenue has consistently remained between 42 and 44 percent
- Federal aid remains less than 4 percent statewide

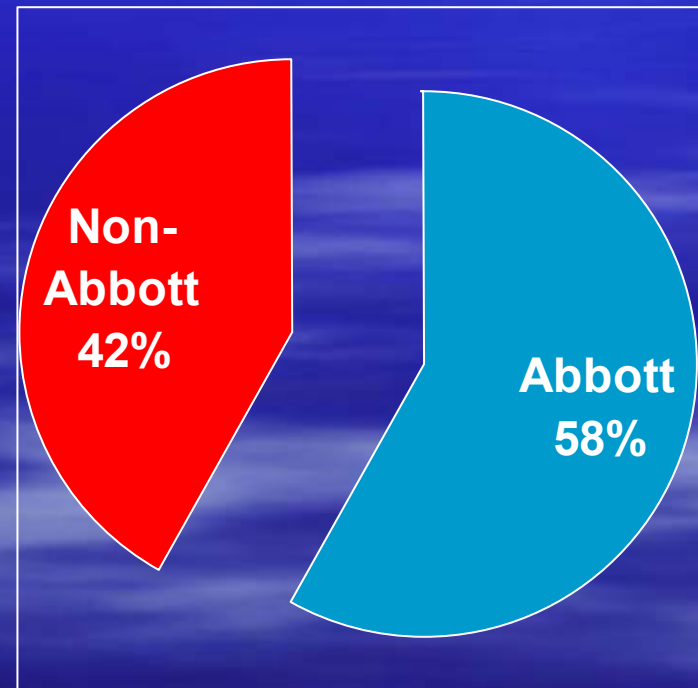
Per Pupil Revenue by Source



What share of State aid goes to Abbott districts in FY 2006?

- The majority of State aid (almost \$4.2 billion) is devoted to funding the Abbott districts
- Approximately \$3.1 billion in aid goes to non-Abbott districts
- These figures do not include debt service aid, Social Security payments and pension contributions

**Distribution of State Aid
by Abbott Status**



How does the growth in State aid differ between Abbott and non-Abbott districts?

- Between FY 2002 and FY 2006, aid to Abbott districts has increased nearly 30 percent
- By contrast, aid to non-Abbott districts has grown by 5 percent
- These figures do not include debt service, Social Security and pension contributions

**Change in State Aid:
FY 2002 to FY 2006**

